

Mr. W. L. Chilcote, Acting Highways Engineer (continued)

paving contract and refund the deposit made by Welsh under the Agreement, and thereupon the City would be automatically released from all claims which Welsh might have on account of such streets being eliminated from the paving contract or not paved. (Sec. 12)

On October 2, 1957, the City entered into the paving contract with Paramount in the amount of \$70,787.50 for paving the streets mentioned in the two Welsh agreements, and under this contract, Paramount was to complete its work within sixty working days after being notified by the City to proceed. (Bid and Sec. G 4.25 of Highways Specifications, Jan. 1950) The City has not issued any notice to proceed to Paramount under this contract.

It is understood that the lay-out plat to be furnished by Welsh was amended on seven occasions, the latest being March 19, 1958, and that the underground-sub-surface utility installations were not in place until November 6, 1958.

Under date of May 2, 1957, it was agreed by representatives of the City and the Home Builders Association that:

"Streets covered by builders agreement and not paved during the second paving season following the award of the contract will be deleted and re-advertised in a new contract if this delay is not the fault of the contractor and provided, further, that the request for the deletion is made by the contractor. The financial responsibility of the City and the builder will be based on the new contract price."

Information has been furnished to the effect that the costs of paving have increased almost fifty per cent since October, 1957.

On February 17, 1959, Paramount wrote to the Bureau of Highways to the effect that unless the contract price submitted by it was reasonably adjusted upward to take care of increased prices, Paramount desired that its contract be cancelled in its entirety.

From the foregoing, it is apparent that there was delay on the part of Welsh in carrying out its responsibility for having the public utilities installed so that the paving work could proceed